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FOR ISN/MTR, EUR/PRA, AND EUR/AGS

E.O. 12958: DECL: 03/27/2017
TAGS: [PARM](#) [PREL](#) [MNUC](#) [ETTC](#) [MTCRE](#) [AU](#) [IR](#)
SUBJECT: (S) PALFINGER CRANES SHIPPED TO IRAN

REF: A) STATE 36934 B) 06 VIENNA 268 C) 06 STATE 13527

Classified By: Economic-Political Counselor Gregory E. Phillips for reasons 1.4 (b) and (d).

¶1. (S/NF) On March 26, EconUnit Chief delivered ref A talking points to Helmut Krehlik, Head of the Ministry of Economy's (MoE) Export and Import Control Division. Krehlik said he was unaware of the impending shipment, but promised to inquire with Palfinger Europe GmbH immediately. Krehlik expressed some surprise, as his impression from an early 2006 visit (ref B) to the company was that Palfinger wanted to cooperate closely with the GoA on any questionable exports. Krehlik recalled that, at the time, Palfinger had promised him and an official from Austria's domestic intelligence service (BVT) that Palfinger would inform the GoA of any orders from Iranian entities.

¶2. (S/NF) Later on March 26, Krehlik contacted post with an update. A Palfinger official, Mr. Gantschnigg (FNU), confirmed to Krehlik that the company shipped five cranes to Iran's Alborz Manufacturing (AMT Company) on March 16. Austrian customs cleared the shipment on the same day. According to Krehlik, Gantschnigg claimed that Palfinger had notified the BVT in November 2006 of the Iranian order and the BVT had replied that it had no derogatory information concerning AMT. Based on the BVT's reply, Palfinger initiated the shipment.

¶3. (S/NF) Krehlik said that four additional cranes for delivery to AMT are under construction. Krehlik blind cc'ed post with an email in which he imposed a special licensing requirement on any further shipments, based on AMT's relationship to Instrumentation Factories Plan (IFP). Krehlik added that, if Palfinger requests more background on the grounds for stopping further shipments, the MoE cannot share ref A classified material with the company. Therefore, the GoA would appreciate transmission of our request through official intelligence channels. On the basis of the BVT request, the MoE will prohibit further shipments. All relevant agencies at post are aware of this request.
Kilner